



General Assembly

February Session, 2000

Raised Bill No. 24

LCO No. 822

Referred to Committee on Energy and Technology

Introduced by:
(ET)

An Act Licensing Natural Gas Suppliers.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-258a of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 [Each corporation, company, association, joint stock association,
4 partnership or person, or lessee thereof, which sells natural gas to an
5 end user in the state and is not (1) a gas company, as defined in section
6 16-1, (2) a municipal gas utility established under chapter 101 or any
7 other gas utility owned, leased, maintained, operated, managed, or
8 controlled by any unit of local government under any general statute
9 or any public or special act, or (3) a gas pipeline or gas transmission
10 company subject to the provisions of chapter 208, shall register with
11 the Department of Public Utility Control prior to making any such sale
12 by filing a form supplied by said department.]

13 (a) As used in this section, "gas supplier" means any person that
14 sells natural gas to end-use customers in the state, but does not
15 include: (1) A gas company; (2) a municipal gas utility established
16 under chapter 101 or any other gas utility owned, leased, maintained,

17 operated, managed or controlled by any unit of local government
18 under any general statute or special act; or (3) a gas pipeline or gas
19 transmission company subject to the provisions of chapter 208.

20 (b) On and after April 1, 2001, no person shall sell or attempt to sell
21 natural gas to end-use customers located in the state unless the person
22 has been issued a license by the department in accordance with the
23 provisions of this section. Not later than January 1, 2001, the
24 department shall, by regulations adopted pursuant to chapter 54,
25 develop licensing procedures.

26 (c) To ensure the safety and reliability of the supply of natural gas in
27 this state, the department shall not issue a license unless the person can
28 demonstrate to the satisfaction of the department that: (1) The person
29 has the technical, managerial and financial capability to provide
30 natural gas service and provides and maintains a bond or other
31 security in amount and form approved by the department, to ensure
32 its financial responsibility and its supply of natural gas to end-use
33 customers in accordance with contracts, agreements or arrangements;
34 (2) the person or the entity or entities with whom the person has a
35 contractual relationship to purchase natural gas supply is in
36 compliance with all applicable licensing requirements of the Federal
37 Energy Regulatory Commission; and (3) the person is in compliance
38 with state environmental laws and regulations. A license shall be
39 subject to periodic review on a schedule to be established by the
40 department.

41 (d) An application for a license shall be filed with the department,
42 accompanied by a fee pursuant to subsection (e) of this section. The
43 application shall contain such information as the department may
44 deem relevant, including, but not limited to, the following: (1) The
45 address of the applicant's headquarters and the articles of
46 incorporation, as filed with the state in which the applicant is
47 incorporated; (2) the address of the applicant's principal office in the
48 state and the address of the applicant's agent for service in the state; (3)

49 information about the applicant's corporate structure, including names
50 and financial statements, as appropriate, concerning corporate
51 affiliates; (4) a disclosure whether the applicant is currently under
52 investigation for violation of any consumer protection law or
53 regulation to which it is subject, either in this state or in another state;
54 (5) an attestation that it is subject to chapters 208, 212, 212a and 219, as
55 applicable, and that it shall pay all taxes it is subject to in this state; (6)
56 a copy of its standard service contract; and (7) a scope of service plan
57 which sets forth, among other things, a description of each natural gas
58 service the applicant plans to provide in the state.

59 (e) The application fee shall include the costs to investigate and
60 administer the licensing procedure and shall be commensurate with
61 the level of investigation necessary, as determined by regulations
62 adopted by the department.

63 (f) Not more than thirty days after receiving an application, the
64 department shall notify the applicant whether the application is
65 complete or whether the applicant must submit additional
66 information. The department may conduct a hearing on the license
67 application. After notice of hearing, any hearing shall be conducted as
68 a contested case in accordance with chapter 54. The department shall
69 grant or deny a license application not more than ninety days after
70 receiving all information required of an applicant or after close of
71 hearings, whichever is later.

72 (g) The department shall require, as conditions of a license, that the
73 gas supplier: (1) Complies with the National Labor Relations Act and
74 regulations, if applicable; (2) complies with the Connecticut Unfair
75 Trade Practices Act and applicable regulations; (3) agrees to cooperate
76 with (A) each gas company, (B) each municipal gas utility established
77 under chapter 101 or any other gas utility owned, leased, maintained,
78 operated, managed or controlled by any unit of local government
79 under any general statute or special act, (C) each gas pipeline or gas
80 transmission company subject to the provisions of chapter 208, (D) the

81 department, and (E) all other gas suppliers in the event of an
82 emergency condition that may jeopardize the safety and reliability of
83 the state's natural gas system; and (4) complies with any code of
84 conduct established by the department pursuant to regulations
85 adopted in accordance with chapter 54.

86 (h) Each licensed gas supplier shall, at such times as the department
87 requires but not less than annually, submit to the department, on a
88 form prescribed by the department, an update of information the
89 department deems relevant. Each licensed gas supplier shall notify the
90 department at least ten days before: (1) A change in corporate structure
91 that affects the gas supplier; (2) a change in the scope of service, as
92 provided in the gas supplier's scope of service plan submitted to the
93 department as part of the application process; and (3) any other change
94 the department deems relevant. Each licensed gas supplier shall pay
95 an annual license fee commensurate with administrative costs, to be
96 determined by the department by regulation.

97 (i) No license may be transferred without the prior approval of the
98 department. The department may assess additional licensing fees to
99 pay the administrative costs of reviewing a request for such transfer.

100 (j) Any person who fails to comply with a license condition or who
101 violates any provision of this section shall be subject to sanctions by
102 the department in accordance with section 16-41, which may include,
103 but are not limited to, the suspension or revocation of such license or a
104 prohibition on accepting new customers.

105 Sec. 2. This act shall take effect July 1, 2000.

Statement of Purpose:

To provide for the licensing of natural gas suppliers who sell natural gas to end-use customers in the state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]